



FY 2021 Excess Fund Balance Appropriation Recommendation

January 5, 2022

General Fund (GF)– Fund Balance Results

- Incredibly strong end to FY 2021 attributed to:
 - Conservative budgeting
 - Sales tax growth
 - Personnel savings from hiring freeze
- Overall fund balance is up by \$7,028,454 (\$34.3 million)
- Available fund balance is up by \$5,913,496 (\$21.0 million)
- Amount of fund balance available to appropriate is \$7,926,620

GF - Available Fund Balance Calculation

- Available Fund Balance calculation

$$\$20,989,439 / \$59,376,447 = 35.3\%$$

(unassigned fund balance/total expenditures)

- Amount Available to Appropriate per calculation

\$ 20,989,439 unassigned fund balance @ 35.3%

(13,062,819) unassigned fund balance @ 22%

\$ 7,926,620

GF– Fund Balance Recommendation

- FY 2021 expenditures lower than usual
 - Budget cuts - \$2.2 million (maintenance, vehicles, OPEB)
 - Hiring freeze - \$2.5 million over normal personnel savings
- Recommendation
 - Reduce the amount available to appropriate to \$4.5 million to help ensure we finish FY 2022 at the 22% fund balance target.

GF – Fund Balance Appropriation Recommendation

Calculation: $\$16.5 \text{ million} / \$72.5 \text{ million} = 22.8\%$
(estimated unassigned fund balance/total expenditures)

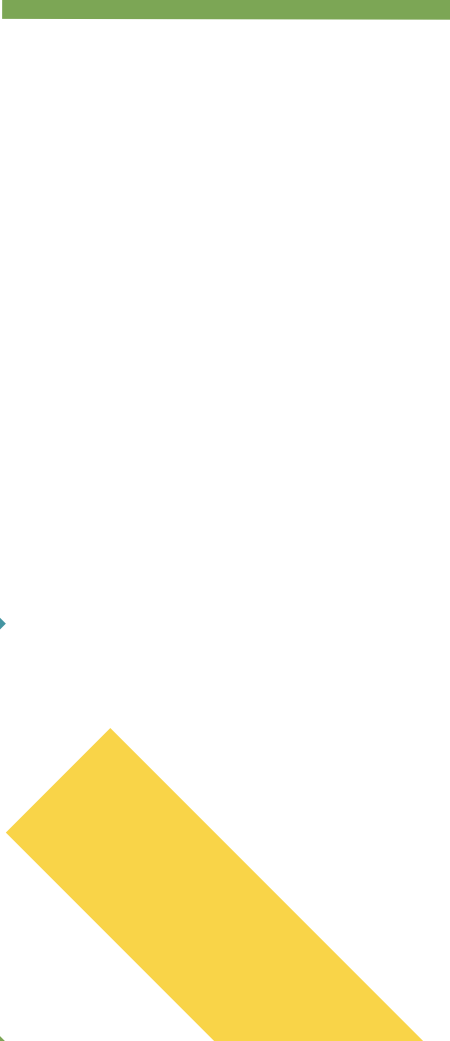
Numerator: $\$21.0 \text{ million}$ FY 2021 unassigned fund balance
 $(4.5) \text{ million}$ Recommended excess fund balance appropriation
 $\$16.5 \text{ million}$

Denominator: $\$71.0 \text{ million}$ FY 2022 General Fund adopted budget
 $(5.0) \text{ million}$ Typical year-end savings
 2.0 million FY 2021 carryforward
 4.5 million Recommended excess fund balance appropriation
 $\$72.5 \text{ million}$

Strategic Use of Fund Balance

- Tie back to needs identified in 5-year budget strategy
- Funding provides ability to address:
 - Council & community interests
 - Organizational needs
 - Recovery & restoration from pandemic

Possible Funding Allocation



Recommended Use	Recommended Amount
Climate Action	\$ 500,000
Affordable Housing/Human Services	500,000
Compensation & Classification Implementation	500,000
Maintenance	500,000
Vehicles	1,000,000
Streets	500,000
Department One-Time Adds	500,000
Splash Pad Placeholder	<u>500,000</u>
TOTAL	\$ 4,500,000



Questions ?

